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5 *Ignite Spirits, Inc.*

6 UNITED STATES DISTRICT COURT

7 DISTRICT OF NEVADA

9 IGNITE SPIRITS, INC., a Wyoming
10 corporation,

11 Plaintiff,

12 v.

13 CONSULTING BY AR, LLC, a Florida limited
liability company; DOES I through X, inclusive;
14 and ROE Business Entities I through X,
inclusive,

15 Defendants.

16 CONSULTING BY AR, LLC,

17 Counterclaim Plaintiff,

18 v.

19 IGNITE SPIRITS, INC. (f/k/a Ignite Beverages,
20 Inc.); IGNITE INTERNATIONAL LTD.; AND
21 IGNITE INTERNATIONAL BRANDS, LTD.,

22 Counterclaim Defendants.

Case No: 2:21-CV-1590-JCM-EJY

**IGNITE SPIRITS, INC.’S ANSWER
AND AFFIRMATIVE DEFENSES
IN RESPONSE TO CONSULTING
BY AR, LLC’s COUNTERCLAIMS**

23 Plaintiff/Counterclaim Defendant IGNITE SPIRITS, INC. (“Counterclaim
24 Defendant”) by and through its attorneys of record, Flangas Law Group, answers as follows
25 to the Counterclaims filed by Defendant CONSULTING BY AR, LLC (“Counterclaim
26 Plaintiff”):

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COUNTERCLAIM PARTIES AND RELEVANT NON-PARTIES

A. Counterclaim Parties

1. In answering Paragraph 1 of the counterclaim, Counterclaim Defendant admits that Plaintiff Company is a Florida limited liability company. Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegation.

2. In answering Paragraph 2 of the counterclaim, Counterclaim Defendant admits it is a Wyoming limited liability company, but denies the remainder of the allegations contained therein.

3. In answering Paragraph 3 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

4. In answering Paragraph 4 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

B. Relevant Non-Parties

5. In answering Paragraph 5 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

6. In answering Paragraph 6 of the counterclaim, Counterclaim Defendant admits John P. Schaefer is the President/Director of Ignite Spirits, Inc., but lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the remaining allegations contained herein and, on that basis, denies the allegations.

7. In answering Paragraph 7 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

8. In answering Paragraph 8 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of

1 the allegations contained herein and, on that basis, denies the allegations.

2 9. In answering Paragraph 9 of the counterclaim, Counterclaim Defendant
3 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
4 the allegations contained herein and, on that basis, denies the allegations.

5 **JURISDICTION AND VENUE**

6 10. In answering Paragraph 10 of the counterclaim, Counterclaim Defendant
7 admits for jurisdictional purposes only as to itself. Otherwise, denied as to remaining
8 counterclaim defendants.

9 11. In answering Paragraph 11 of the counterclaim, Counterclaim Defendant
10 admits for jurisdictional purposes only as to itself. Otherwise, denied as to remaining
11 counterclaim defendants.

12 12. In answering Paragraph 12 of the counterclaim, Counterclaim Defendant
13 admits for jurisdictional purposes only as to itself. Otherwise, denied as to remaining
14 counterclaim defendants.

15 **FACTUAL ALLEGATIONS**

16 **A. Richardson Offers to Broker a Strategic Marketing and Promotional**
17 **Partnership for Ignite with Resorts World**

18 13. In answering Paragraph 13 of the counterclaim, Counterclaim Defendant
19 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
20 the allegations contained herein as to the other counterclaim defendants and, on that basis,
21 denies the allegations.

22 14. In answering Paragraph 14 of the counterclaim, Counterclaim Defendant
23 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
24 the allegations contained herein and, on that basis, denies the allegations

25 15. In answering Paragraph 15 of the counterclaim, Counterclaim Defendant
26 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
27 the allegations contained herein and, on that basis, denies the allegations.

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B. The Letter Agreement Between the Company, Ignite Spirits, and Ignite Brands

16. In answering Paragraph 16 of the counterclaim, the Letter Agreement speaks for itself; Counterclaim Defendant denies the remaining allegations.

17. In answering Paragraph 17 of the counterclaim, the Letter Agreement speaks for itself; Counterclaim Defendant denies the remaining allegations.

18. In answering Paragraph 18 of the counterclaim, the Letter Agreement speaks for itself; Counterclaim Defendant denies the remaining allegations.

C. Ignite Modified or Waived Terms of the Letter Agreement by Insisting that Richardson Obtain Even More Favorable Terms for Them

19. In answering Paragraph 19 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

20. In answering Paragraph 20 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

21. In answering Paragraph 21 of the counterclaim, the Letter Agreement speaks for itself; Counterclaim Defendant denied the remaining allegations.

22. In answering Paragraph 22 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

23. In answering Paragraph 23 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

24. In answering Paragraph 24 of the counterclaim, Counterclaim Defendant lacks sufficient information and knowledge to form a belief as to the truth and accuracy of the allegations contained herein and, on that basis, denies the allegations.

25. In answering Paragraph 25 of the counterclaim, the letter of intent speaks

1 for itself; Counterclaim Defendant denied the remaining allegations.

2 26. In answering Paragraph 26 of the counterclaim, Counterclaim Defendant
3 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
4 the allegations contained herein and, on that basis, denies the allegations.

5 27. In answering Paragraph 27 of the counterclaim, Counterclaim Defendant
6 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
7 the allegations contained herein and, on that basis, denies the allegations.

8 28. In answering Paragraph 28 of the counterclaim, Counterclaim Defendant
9 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
10 the allegations contained herein and, on that basis, denies the allegations.

11 29. In answering Paragraph 29 of the counterclaim, Counterclaim Defendant
12 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
13 the allegations contained herein and, on that basis, denies the allegations.

14 **D. Before Signing the Agreements, Dan Bilzerian Performed His Contractual**
15 **Obligation by Appearing at Resorts World's Grand Opening Event**

16 30. In answering Paragraph 30 of the counterclaim, Counterclaim Defendant
17 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
18 the allegations contained herein and, on that basis, denies the allegations.

19 31. In answering Paragraph 31 of the counterclaim, Counterclaim Defendant
20 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
21 the allegations contained herein and, on that basis, denies the allegations.

22 32. In answering Paragraph 32 of the counterclaim, Counterclaim Defendant
23 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
24 the allegations contained herein and, on that basis, denies the allegations.

25 33. In answering Paragraph 33 of the counterclaim, Counterclaim Defendant
26 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
27 the allegations contained herein and, on that basis, denies the allegations.

28 34. In answering Paragraph 34 of the counterclaim, Counterclaim Defendant

1 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
2 the allegations contained herein and, on that basis, denies the allegations.

3 35. In answering Paragraph 35 of the counterclaim, Counterclaim Defendant
4 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
5 the allegations contained herein and, on that basis, denies the allegations.

6 36. In answering Paragraph 36 of the counterclaim, Counterclaim Defendant
7 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
8 the allegations contained herein and, on that basis, denies the allegations.

9 **E. The Final Definitive Agreements that Were Brokered by the Company**
10 **Between Ignite International and Resorts World**

11 37. In answering Paragraph 37 of the counterclaim, Counterclaim Defendant
12 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
13 the allegations contained herein and, on that basis, denies the allegations.

14 38. In answering Paragraph 38 of the counterclaim, Counterclaim Defendant
15 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
16 the allegations contained herein and, on that basis, denies the allegations.

17 39. In answering Paragraph 39 of the counterclaim, Counterclaim Defendant
18 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
19 the allegations contained herein and, on that basis, denies the allegations.

20 40. In answering Paragraph 40 of the counterclaim, Counterclaim Defendant
21 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
22 the allegations contained herein and, on that basis, denies the allegations.

23 41. This Paragraph calls for a legal conclusion, and no response is therefore
24 required. To the extent a response is required, Counterclaim Defendant denies the
25 remaining allegations.

26 **F. Ignite Breaches the Letter Agreement, and Creates a Litigation-Driven False**
27 **Narrative to Enshield Ignite from Its Bad-Faith Conduct**

28 42. In answering Paragraph 42 of the counterclaim, the Letter Agreement

1 speaks for itself; Counterclaim Defendant denies the remaining allegations.

2 43. In answering Paragraph 43 of the counterclaim, Counterclaim Defendant
3 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
4 the allegations contained herein and, on that basis, denies the allegations.

5 44. In answering Paragraph 44 of the counterclaim, Counterclaim Defendant
6 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
7 the allegations contained herein and, on that basis, denies the allegations.

8 45. In answering Paragraph 45 of the counterclaim, Counterclaim Defendant
9 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
10 the allegations contained herein and, on that basis, denies the allegations.

11 **G. Company's Demand and Ignite's Anticipatory Declaratory Judgment**
12 **Lawsuit**

13 46. In answering Paragraph 46 of the counterclaim, Counterclaim Defendant
14 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
15 the allegations contained herein and, on that basis, denies the allegations.

16 47. In answering Paragraph 47 of the counterclaim, Counterclaim Defendant
17 lacks sufficient information and knowledge to form a belief as to the truth and accuracy of
18 the allegations contained herein and, on that basis, denies the allegations.

19 48. In answering Paragraph 48 of the counterclaim, Counterclaim Defendant
20 admits that it filed this lawsuit, but denied the remaining allegations contained therein.

21 49. In answering Paragraph 49 of the counterclaim, Counterclaim Defendant
22 denies the allegations contained therein.

23 **COUNT ONE**

24 **(Breach Of The Letter Agreement/Specific Performance)**

25 50. Counterclaim Defendant repeats and realleges the answers to Paragraphs 1-
26 49 of the Counterclaim as if fully set forth at this point and incorporate them herein by
27 reference.

28 51. In response to Paragraph 51 of the counterclaim, Counterclaim Defendant

1 admits it entered into a Letter Agreement, the terms of which speak for themselves;
2 otherwise, Paragraph 51 further calls for a legal conclusion and therefore no response is
3 required, but to the extent a response is required, Counterclaim Defendant denies the
4 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
5 information and knowledge to form a belief as to the truth and accuracy of the allegations
6 contained herein as to the other counterclaim defendants and, on that basis, denies the
7 allegations.

8 52. In response to Paragraph 52 of the counterclaim, Counterclaim Defendant
9 admits it entered into a Letter Agreement, the terms of which speak for themselves;
10 otherwise, Paragraph 52 further calls for a legal conclusion and therefore no response is
11 required, but to the extent a response is required, Counterclaim Defendant denies the
12 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
13 information and knowledge to form a belief as to the truth and accuracy of the allegations
14 contained herein as to the other counterclaim defendants and, on that basis, denies the
15 allegations.

16 53. In response to Paragraph 53 of the counterclaim, Counterclaim Defendant
17 admits it entered into a Letter Agreement, the terms of which speak for themselves;
18 otherwise, Paragraph 53 further calls for a legal conclusion and therefore no response is
19 required, but to the extent a response is required, Counterclaim Defendant denies the
20 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
21 information and knowledge to form a belief as to the truth and accuracy of the allegations
22 contained herein as to the other counterclaim defendants and, on that basis, denies the
23 allegations.

24 54. This Paragraph calls for a legal conclusion, and no response is therefore
25 required. To the extent a response is required, Counterclaim Defendant denies the
26 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
27 information and knowledge to form a belief as to the truth and accuracy of the allegations
28 contained herein as to the other counterclaim defendants and, on that basis, denies the

1 allegations.

2 55. This Paragraph calls for a legal conclusion, and no response is therefore
3 required. To the extent a response is required, Counterclaim Defendant denies the
4 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
5 information and knowledge to form a belief as to the truth and accuracy of the allegations
6 contained herein as to the other counterclaim defendants and, on that basis, denies the
7 allegations.

8 56. This Paragraph calls for a legal conclusion, and no response is therefore
9 required. To the extent a response is required, Counterclaim Defendant denies the
10 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
11 information and knowledge to form a belief as to the truth and accuracy of the allegations
12 contained herein as to the other counterclaim defendants and, on that basis, denies the
13 allegations.

14 **COUNT TWO**

15 **(Breach Of The Covenant of Good Faith and Fair Dealing)**

16 57. Counterclaim Defendant repeats and realleges the answers to Paragraphs 1-
17 56 of the Counterclaim as if fully set forth at this point and incorporate them herein by
18 reference.

19 58. In response to Paragraph 59 of the counterclaim, Counterclaim Defendant
20 admits it entered into a Letter Agreement, the terms of which speak for themselves;
21 otherwise, Paragraph 52 further calls for a legal conclusion and therefore no response is
22 required, but to the extent a response is required, Counterclaim Defendant denies the
23 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
24 information and knowledge to form a belief as to the truth and accuracy of the allegations
25 contained herein as to the other counterclaim defendants and, on that basis, denies the
26 allegations.

27 59. This Paragraph calls for a legal conclusion, and no response is therefore
28 required. To the extent a response is required, Counterclaim Defendant denies the

1 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
2 information and knowledge to form a belief as to the truth and accuracy of the allegations
3 contained herein as to the other counterclaim defendants and, on that basis, denies the
4 allegations.

5 60. In response to Paragraph 60 of the counterclaim, Counterclaim Defendant
6 admits it entered into a Letter Agreement, the terms of which speak for themselves;
7 otherwise, Paragraph 52 further calls for a legal conclusion and therefore no response is
8 required, but to the extent a response is required, Counterclaim Defendant denies the
9 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
10 information and knowledge to form a belief as to the truth and accuracy of the allegations
11 contained herein as to the other counterclaim defendants and, on that basis, denies the
12 allegations.

13 61. Counterclaim Defendant denies the allegations contained in Paragraph 61
14 of the counterclaim as to itself. Counterclaim Defendant lacks sufficient information and
15 knowledge to form a belief as to the truth and accuracy of the allegations contained herein
16 as to the other counterclaim defendants and, on that basis, denies the allegations.

17 62. This Paragraph calls for a legal conclusion, and no response is therefore
18 required. To the extent a response is required, Counterclaim Defendant denies the
19 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
20 information and knowledge to form a belief as to the truth and accuracy of the allegations
21 contained herein as to the other counterclaim defendants and, on that basis, denies the
22 allegations.

23 63. This Paragraph calls for a legal conclusion, and no response is therefore
24 required. To the extent a response is required, Counterclaim Defendant denies the
25 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
26 information and knowledge to form a belief as to the truth and accuracy of the allegations
27 contained herein as to the other counterclaim defendants and, on that basis, denies the
28 allegations.

1 70. This Paragraph calls for a legal conclusion, and no response is therefore
2 required. To the extent a response is required, Counterclaim Defendant denies the
3 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
4 information and knowledge to form a belief as to the truth and accuracy of the allegations
5 contained herein as to the other counterclaim defendants and, on that basis, denies the
6 allegations.

7 71. This Paragraph calls for a legal conclusion, and no response is therefore
8 required. To the extent a response is required, Counterclaim Defendant denies the
9 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
10 information and knowledge to form a belief as to the truth and accuracy of the allegations
11 contained herein as to the other counterclaim defendants and, on that basis, denies the
12 allegations.

13 72. This Paragraph calls for a legal conclusion, and no response is therefore
14 required. To the extent a response is required, Counterclaim Defendant denies the
15 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
16 information and knowledge to form a belief as to the truth and accuracy of the allegations
17 contained herein as to the other counterclaim defendants and, on that basis, denies the
18 allegations.

19 73. This Paragraph calls for a legal conclusion, and no response is therefore
20 required. To the extent a response is required, Counterclaim Defendant denies the
21 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
22 information and knowledge to form a belief as to the truth and accuracy of the allegations
23 contained herein as to the other counterclaim defendants and, on that basis, denies the
24 allegations.

25 74. This Paragraph calls for a legal conclusion, and no response is therefore
26 required. To the extent a response is required, Counterclaim Defendant denies the
27 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
28 information and knowledge to form a belief as to the truth and accuracy of the allegations

1 contained herein as to the other counterclaim defendants and, on that basis, denies the
2 allegations.

3 **COUNT FIVE**

4 **(Unjust Enrichment or Quantum meruit-Pled in the Alternative)**

5 75. Counterclaim Defendant repeats and realleges the answers to Paragraphs 1-
6 74 of the Counterclaim as if fully set forth at this point and incorporate them herein by
7 reference.

8 76. This Paragraph calls for a legal conclusion, and no response is therefore
9 required. To the extent a response is required, Counterclaim Defendant denies the
10 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
11 information and knowledge to form a belief as to the truth and accuracy of the allegations
12 contained herein as to the other counterclaim defendants and, on that basis, denies the
13 allegations.

14 77. This Paragraph calls for a legal conclusion, and no response is therefore
15 required. To the extent a response is required, Counterclaim Defendant denies the
16 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
17 information and knowledge to form a belief as to the truth and accuracy of the allegations
18 contained herein as to the other counterclaim defendants and, on that basis, denies the
19 allegations.

20 78. This Paragraph calls for a legal conclusion, and no response is therefore
21 required. To the extent a response is required, Counterclaim Defendant denies the
22 remainder of the allegations contained therein. Counterclaim Defendant lacks sufficient
23 information and knowledge to form a belief as to the truth and accuracy of the allegations
24 contained herein as to the other counterclaim defendants and, on that basis, denies the
25 allegations.

26 **AFFIRMATIVE DEFENSES**

27 **First Affirmative Defense**

28 Counterclaim Plaintiff's Counterclaim fails to state a claim against Counterclaim

1 Defendant upon which relief can be granted.

2 **Second Affirmative Defense**

3 Unless specifically admitted above, Counterclaim Defendant denies each and every
4 allegation of the Counterclaim and denies any liability to Counterclaim Plaintiff's claims.

5 **Third Affirmative Defense**

6 Counterclaim Plaintiff suffered no damages by reason of the acts complained of in
7 the Counterclaim, or by any acts or omissions of Counterclaim Defendant.

8 **Fourth Affirmative Defense**

9 Counterclaim Plaintiff suffered no damages for which Counterclaim Defendant are
10 legally responsible.

11 **Fifth Affirmative Defense**

12 Counterclaim Plaintiff's alleged damages, if any, are speculative, hypothetical,
13 unsupported by any reasonable methodology, and are not cognizable as a matter of law.

14 **Sixth Affirmative Defense**

15 Counterclaim Plaintiff's alleged losses, if any, were caused by his own actions and
16 inaction and, therefore it is precluded from recovery.

17 **Seventh Affirmative Defense**

18 Counterclaim Plaintiff failed to mitigate his damages, if any.

19 **Eighth Affirmative Defense**

20 Counterclaim Plaintiff is barred from recovery by the doctrine of laches, waiver,
21 ratification and/or estoppel

22 **Ninth Affirmative Defense**

23 Counterclaim Defendant is not liable to Counterclaim Plaintiff in any amount,
24 because, at all times relevant herein, Counterclaim Defendant acted properly and in good
25 faith with respect to Counterclaim Plaintiff.

26 **Tenth Affirmative Defense**

27 Counterclaim Plaintiff's claims are barred, in whole or in part, by the Letter
28 Agreement, which contractually limits Counterclaim Plaintiff's remedies

Eleventh Affirmative Defense

Counterclaim Defendant alleges that the incident alleged in the Complaint and Counterclaim Plaintiff's Counterclaim, and all injuries and damages, if any, resulting therefrom, were caused by the acts or omissions of a third party over whom Counterclaim Defendant had no control.

Twelfth Affirmative Defense

Counterclaim Defendant is not liable for the independent acts of third parties and Claimant's injuries or damages, if any, are attributable to acts of third parties.

Thirteenth Affirmative Defense

Counterclaim Plaintiff's Counterclaim fails to state facts sufficient to warrant an award of attorneys' fees.

Fourteenth Affirmative Defense

Counterclaim Plaintiff's claims are barred as a result of the failure to satisfy conditions precedent to asserting the claims.

Fifteenth Affirmative Defense

Counterclaim Plaintiff is barred from recovery by the doctrine of unclean hands.

Sixteenth Affirmative Defense

Counterclaim Plaintiff's claims are not ripe for adjudication

Seventeenth Affirmative Defense

Counterclaim Plaintiff consented and/or authorized the actions of Counterclaim Defendant.

Eighteenth Affirmative Defense

Counterclaim Plaintiff's alleged losses, if any, were caused in whole and/or in part to the conduct, acts, omissions and/or activities of Counterclaim Plaintiff, and any recovery obtained by Counterclaim Plaintiff should be barred and/or reduced according to law, up to and including the whole thereof.

Nineteenth Affirmative Defense

Counterclaim Defendant is not liable to Counterclaim Plaintiff in any amount

1 because Counterclaim Plaintiff breached the Letter Agreement, such that Counterclaim
2 Defendant is excused from performing.

3 **Twentieth Affirmative Defense**

4 Counterclaim Plaintiff's own actions or inaction prevented or excused
5 Counterclaim Defendant's performance under the Letter Agreement.

6 **Twenty-First Affirmative Defense**

7 Counterclaim Plaintiff is barred from recovery by the doctrine of election of
8 remedies.

9 **Twenty-Second Affirmative Defense**

10 At all times relevant, Counterclaim Plaintiff or its agents failed, concealed and/or
11 refused to disclose certain material documents and facts to Counterclaim Defendant, thus
12 misleading Counterclaim Defendant to its extreme prejudice. Counterclaim Plaintiff's or
13 its agents' constructive fraud/unclean hands serves as a bar to the entire action and as
14 Counterclaim Plaintiff's claims against Counterclaim Defendant.

15 **Twenty-Third Affirmative Defense**

16 Counterclaim Plaintiff's claims for relief are barred, in whole or in part, by the
17 doctrines of frustration of purpose.

18 **Twenty-Fourth Affirmative Defense**

19 Counterclaim Plaintiff's claims are barred in whole or in part because Counterclaim
20 Defendant did not know of the purported inaccuracy of the alleged misstatements, did not
21 know of any material omissions from those statements, and could not have become aware
22 of such alleged inaccuracy.

23 **Twenty-Fifth Affirmative Defense**

24 Counterclaim Plaintiff's claims are barred in whole or in part because Counterclaim
25 Defendant did not intentionally or recklessly make any misleading statements or omissions.
26 At all times and with respect to the matters referenced in the counterclaim, Counterclaim
27 Defendant acted in good faith and exercised reasonable care, and in exercising such
28 reasonable care, did not know and could not have known of the alleged falsity and/or

1 misstatements alleged in the counterclaim.

2 **Twenty-Sixth Affirmative Defense**

3 Counterclaim Plaintiff's claims are barred in whole or in part because any alleged
4 misrepresentations were not material as a matter of law.

5 **Twenty-Seventh Affirmative Defense**

6 A contract exists between Counterclaim Defendants and Counterclaim Plaintiff,
7 which indemnifies Counterclaim Defendant from all liability as alleged in the
8 Counterclaim.

9 **Twenty-Eighth Affirmative Defense**

10 Any contract between Counterclaim Defendant and Counterclaim Plaintiff is barred
11 by the statute of frauds.

12 **Twenty-Ninth Affirmative Defense**

13 Counterclaim Defendant has been required to retain the services of an attorney to
14 enforce the rights herein asserted, are entitled to the fees and costs heretofore paid or
15 incurred for such damages and is further entitled to attorneys' fees and costs to defend this
16 action.

17 **Thirtieth Affirmative Defense**

18 Counterclaim Plaintiff's claims are barred, in whole or in part, because superseding
19 or intervening events not caused by the Counterclaim Defendant, caused some or all of the
20 alleged damages.

21 **Thirty-First Affirmative Defense**

22 The claims, and each of them, are premature.

23 **Thirty-Second Affirmative Defense**

24 Defendant incorporates by reference all of the affirmative defenses set forth in
25 FRCP 8 and 12 as though fully set forth herein. Defendant reserves the right to supplement
26 or amend its Answer to assert additional affirmative defenses as additional information is
27 obtained through discovery or by other means.

28 ///

PRAYER FOR RELIEF

WHEREFORE, Counterclaim Defendant prays for the following relief as to Counterclaim Plaintiff's Counterclaim:

1. That Counterclaim Plaintiff's Counterclaim against Counterclaim Defendant be dismissed with prejudice and that Counterclaim Plaintiff takes nothing thereby;

2. That Counterclaim Defendant be awarded reasonable costs and expenses, including reasonable attorneys' fees and costs, incurred by Counterclaim Defendant herein.

3. For such other and further relief as the Court may deem just and proper.

Dated this 22nd day of September, 2021

FLANGAS LAW GROUP

/s/ Kimberly P. Stein

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Las Vegas, Nevada 89146

Telephone: (813) 229-4241

Attorneys for Plaintiff/Counterclaim Defendant

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on September 22, 2021, that I electronically filed the above and foregoing document entitled **IGNITE SPIRITS, INC.’S ANSWER AND AFFIRMATIVE DEFENSES IN RESPONSE TO CONSULTING BY AR, LLC’s COUNTERCLAIMS** using the CM/ECF system which will send a notice of electronic filing to all CM/ECF registrants.

/s/Andi Hughes
An employee of Flangas Law Group